

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of

THE JOINT APPLICATION OF CITY OF)
HAWESVILLE, KENTUCKY, AND SOUTHWIRE)
COMPANY, A GEORGIA CORPORATION, d/b/a)
KENTUCKY HILLS COMPANY, FOR THE APPROVAL)
OF THE ACQUISITION BY CITY OF THE WATER)
AND SEWAGE SYSTEM OWNED BY COMPANY)

CASE NO.
8442

O R D E R

IT IS ORDERED That the above case be and it hereby is set
for hearing on the 3rd day of March, 1982, at 1:00 p.m., Eastern
Standard Time, in the Commission's offices at Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 25th day of January, 1982.

PUBLIC SERVICE COMMISSION

Martin M. Cook
For the Commission

ATTEST:

Secretary

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF HAROLD TELEPHONE)	
COMPANY, INC., FOR AUTHORITY TO)	
EXECUTE AN AMENDMENT TO THE TELE-)	
PHONE LOAN CONTRACT AND TO EXECUTE)	
A NOTE IN THE AMOUNT OF \$1,014,300)	
TO THE RURAL TELEPHONE BANK, RURAL)	
ELECTRIFICATION ADMINISTRATION,)	CASE NO. 8294
UNITED STATES OF AMERICA, FOR THE)	
PURPOSE OF IMPROVING AND EXTENDING)	
TELEPHONE SUBSCRIBERS AND TO MAKE)	
RELATED IMPROVEMENTS INCLUDING THE)	
CONSTRUCTION OF FACILITIES TO)	
HANDLE NEW DIGITAL SERVICES)	

O R D E R

On November 10, 1981, the Commission issued its Order in the above-styled case, wherein, among other things, Harold Telephone Company, Inc., ("Harold") was authorized to borrow \$989,300 from the United States of America, acting through the Rural Telephone Bank ("RTB"). This amount is \$25,000 less than Harold's original request to borrow \$1,014,300. The reason for the reduction from the original request was documented in the Order of November 10, 1981.

On January 8, 1982, Harold filed an informal application for review in the matter. The Commission was asked to reconsider its decision and allow Harold to borrow the entire \$1,014,300. The following reasons were given for the request:

(1) While the Rural Electrification Administration ("REA") can amend the loan documents to conform to the amount approved by the Commission, this appears to be a technical process which might require a considerable amount of time;

(2) Harold has been forced to suspend its upgrading program because REA will not make any advances under the proposed loan agreement; and

(3) None of the proposed loan proceeds are related to the property acquisition which was discussed in the Order of November 10, 1981.

FINDINGS AND ORDER

The Commission, after consideration of Harold's request, and being advised, is of the opinion and finds that:

(1) The Order of November 10, 1981, in this matter should be amended to the extent of allowing Harold to borrow the full amount of the proposed loan in order to allow Harold to continue its construction and upgrading program;

(2) Harold should record the purchase price and all related costs of the \$25,000 property acquisition in question in a separate account specifically identified as non-utility property; and

(3) The ordering paragraph of the Order in this matter dated November 10, 1981, wherein it was stated that neither the \$25,000 nor interest paid thereon would be considered as an expense for rate-making purposes in future proceedings before the Commission is reiterated.

IT IS THEREFORE ORDERED that the Order of November 10, 1981, in this matter be and it hereby is amended only to the extent that Harold Telephone Company, Inc., be and it hereby is authorized to borrow \$1,014,300 from the United States of America, acting through the Rural Telephone Bank, to be amortized over a period of 35 years at an interest rate of 11.25 percent per annum, and to execute and deliver to RTB the necessary notes therefor.

IT IS FURTHER ORDERED that Harold shall record the purchase price and all related costs of the \$25,000 property acquisition which was discussed in the Order in this matter dated November 10, 1981, in a separate account specifically identified as non-utility property.

IT IS FURTHER ORDERED that all other provisions of the Commission's Order entered November 10, 1981, shall remain in full force and effect.

Done at Frankfort, Kentucky, this 26th day of January, 1982.

PUBLIC SERVICE COMMISSION

Marlin M. Voth
Chairman

Katherine Randall
Vice Chairman

Ann Carrogan
Commissioner

ATTEST:

Secretary